



AF/3623
PATENT
01929-P0001E SPM/TMO

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants	James J. Turk, <i>et al.</i>	
Serial No. 09/340,566	Confirmation No. 4066	Filing Date: June 28, 1999
Title of Application	Electronic Cash Eliminating Payment Risk	
Group Art Unit: 3623	Examiner: Jeanty, Romain	

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

**Request For Reinstatement of Appeal to the Board of
Patent Appeals and Interferences**

Dear Sir:

Applicant hereby requests reinstatement of its appeal to the Board in view of the Office Action, mailed March 28, 2006, reopening prosecution after Applicant had filed its Appeal Brief in its previously initiated Appeal, and rejecting Claims 12, 13 and 15, all pending claims in the application.

1. **Fee for Filing Notice of Appeal.** Pursuant to 37 C.F.R. 41.20(b)(1), the fee for filing this Notice of Appeal was previously paid. Applicant claims Small Entity status.
2. **Time To Reply.** The recent Office Action is dated March 28, 2006. The period for response granted therein is three months from the date thereof. Thus, this request is timely filed on or before June 28, 2006 without extensions.

Certificate of Mailing: I hereby certify that this correspondence is today being deposited with the U.S. Postal Service as first class mail in an envelope addressed to: Commissioner for Patents; P.O. Box 1450; Alexandria, VA 22313-1450.

May 9, 2006

Patricia Sci
Patricia Sci

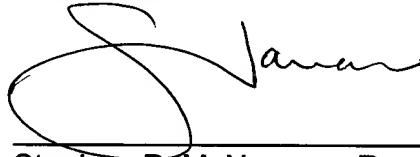
Serial No. 09/340,566

Appellant: James J. Turk, *et al.*

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3. **Supplemental Appeal Brief.** Enclosed herewith is Applicant's Supplemental Appeal Brief Under 37 CFR §41.37.
4. **Fee for Filing Appeal Brief.** Pursuant to 37 C.F.R. 41.20(b)(2), the fee for filing the Appeal Brief has been previously paid. Applicant claims small entity status.
5. **Fee Payment.** Applicant has already paid \$500.00 for filing a Notice of Appeal and an Appeal Brief in the present application before prosecution was reopened. Please apply the fees previously paid hereto. This is also an authorization and request to charge to Deposit Account No. 19-4516 for any additional extension and/or fee as may be required or credit for any excess fee paid.

Respectfully submitted,



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Supplemental Appeal Brief Under 37 CFR §41.37

Dear Sir:

A Request to Reinstatement of Appeal from the rejection of Claims 12, 13 and 15, all pending claims, of U.S. Patent Application No. 09/340,566 being filed herewith, Applicant accordingly files its Supplemental Appeal Brief. A Claims Appendix is submitted herewith, as are Appendices related to evidence previously submitted and decisions related to the case.

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(i) Real Party in Interest

The real party in interest is GM Network Limited, assignee of the patent application.

(ii) Related Appeals and Interferences

There are co-pending appeals of the following related cases:

Reexamination No. 90/006,351 (which is a reexamination of U.S. Patent No. 5,671,364); and
Reexamination No. 90/006,352 (which is a reexamination of U.S. Patent No. 5,983,207).

(iii) Status Of Claims

Claims 12, 13 and 15, all pending claims of the present application, stand rejected and are the subject of the instant Appeal. A copy of each of these claims is attached hereto in the Claims Appendix.

(iv) Status Of Amendments

There are no pending or unentered Amendments.

(v) Summary Of Claimed Subject Matter

The present invention, as claimed, is directed to a computer implemented, fungible precious metal backed, currency system which includes an "emint" which electronically creates "ecoins" in a variety of weights. (see Paragraphs [00033], [00088] and [00101] and Figure 2). Each "ecoin" (referred to in Claim 12 as an "electronic data file") includes information embedded in it comprising: a unique serial number, the weight (denominated in either grams or ounces or other physical measurement) of the fungible precious metal (usually gold) that it represents and which has been deposited at secure facilities, the date that the "ecoin" was created, and a digital signature for authenticating the "ecoin". (see Paragraphs [00031]-[00033], [00088]-[00091] and

[00099]-[00102] and Figure 3). The currency system is 100% backed, meaning that a total amount of fungible precious metal represented by an aggregate of the “ecoins” is no greater than the quantity of fungible precious metal stored in secure facilities. (see Paragraphs [00041], [00042], [00064]-[00067], [00083], [00084] and [00101], Table No. 1 and Table No. 3).

By employing such a system, payment risk is eliminated. Payment risk arises in conventional banking systems where a financial institution accepts deposits, then, in turn, loans out that money to others. This is known as “fractional banking,” in that the financial institution only keeps on hand a fraction of the actual assets it is holding for the account of its depositors. If the financial institution fails due to bad loans or fraud, the financial institution lacks sufficient assets to pay off its depositors. This practice has historically lead to significant losses in connection with financial institution failures. A related payment risk arises due to the fluctuating value of national currencies due to inflation and currency exchange rate variations dependent on the economy of the nation issuing the currency. Thus, there is a risk incurred by accepting national currencies. (see Paragraphs [00003]-[00017], [00055]-[00061] and [00084]).

(vi) Grounds Of Rejection To Be Reviewed On Appeal

Claim 12 stands rejected under 35 U.S.C. 102(b) as being anticipated by 1923 dated Silver Certificate.

Claims 13 and 15 stand rejected under 35 U.S.C. 103(a) as being unpatentable over 1923 dated Silver Certificate in view of Ohta et al. (U.S. Patent No. 4,977,595).

(vii) Argument

Applicant respectfully submits that all claims of the present application require a number of elements that allow the above-described benefits to be realized, and that are

not disclosed, taught or suggested by the cited prior art. More specifically, Claim 12 of the present application requires, among other elements: (i) a computer program product embodied on computer-readable medium and comprising code, (ii) that creates an electronic data file, and stores the electronic data file as one of a plurality of electronic data files, (iii) that identifies an amount of fungible precious metal represented by the electronic data file and stores the identified amount as part of the electronic data file, (iv) the identified amount being no greater than a deposit of the fungible precious metal having been previously received at a secure facilities (i.e., the electronic currency system is 100% backed), (v) that identifies a date associated with the electronic data file, the date indicating the date when the electronic data file was created, and storing the date as part of the electronic data file, and (vi) creating a digital signature for authenticating the electronic data file, and storing the digital signal as part of the electronic data file.

The 1923 Silver Certificate was a bearer instrument. It was a paper certificate, not an electronic system for making a payment among account holding system members. It does not disclose a system for remote access where a user might connect to the system via a network to request a payment transaction to another person who has an account within the system. As such, the 1923 Silver Certificate does not disclose, teach or suggest a great majority of the required elements of Claim 12, as highlighted above. As such, it is difficult to see how the Examiner believes that Claim 12 can be anticipated thereby.

First, as mentioned above, Claim 12 requires a computer program product embodied on computer-readable medium and comprising code. The 1923 Silver Certificate was a paper certificate, and certainly was not a computer program product embodied on a computer-readable medium. Nor did the 1923 Silver Certificate comprise code, as one skilled in the art would understand the requirement.

Claim 12 additionally requires that the code, when executed on a computer, causes the computer to create an electronic data file, and store the electronic data file as one of a plurality of electronic data files. Again, the 1923 Silver Certificate was a paper certificate. The 1923 Silver Certificate was not an electronic data file, and did not disclose, teach or suggest in any way the creation of an electronic data file. As such, the 1923 Silver Certificate was clearly not stored as one of a plurality of electronic data files.

Moreover, Claim 12 requires that the code, when executed on a computer, causes the computer to identify an amount of fungible precious metal represented by the electronic data file and store the identified amount as part of the electronic data file.

However, the 1923 Silver Certificate did not identify an amount of fungible precious metal (e.g., the 1923 Silver Certificate did not represent 1 oz. of silver, 10 grams of silver, etc.). Rather, the 1923 Silver Certificate identified the number of *silver dollars* represented by the certificate. As such, the 1923 Silver Certificate was tied, not to a precious metal, but rather to a *national currency*. Thus, the 1923 Silver Certificate suffered from all of the risks, due for example to the fluctuating value of national currencies, inflation and currency exchange rate variations dependent on the economy of the nation issuing the currency, associated with any national currency. These problems are avoided by the present invention, as claimed, which requires that each electronic data file (i.e., each “ecoin”) identify an amount of fungible precious metal represented thereby, and store the identified amount as part thereof.

Furthermore, Claim 12 requires that the identified amount of precious metal be no greater than a deposit of the fungible precious metal having been previously received at a secure facilities (i.e., the electronic currency system is 100% backed). There is absolutely no disclosure, teaching or suggestion of this by the 1923 Silver Certificate. Rather, the five dollar 1923 Silver Certificate simply states “This certifies that there have been deposited in the Treasury of The United States Of America Five

Silver Dollars payable to the bearer on demand.” The one dollar 1923 Silver Certificate is identical, except that “Five Silver Dollars” is replaced with “One Silver Dollar”. This statement merely notifies the bearer that the certificate is redeemable for either five silver dollars or one silver dollar, as appropriate. However, there is no indication that there were enough silver dollars stored in the Treasury to cover all 1923 Silver Certificates in circulation at any one time, and Applicant respectfully submits that it is well known to those skilled in the art that, in fact, there were not enough silver dollars stored in the Treasury to cover all outstanding 1923 Silver Certificates (i.e., the 1923 Silver Certificates were not 100% backed).

Claim 12 further requires that that the code, when executed on a computer, causes the computer to identify a date associated with the electronic data file, the date indicating the date when the electronic data file was created. However, the 1923 Silver Certificate did not identify a date indicating when it was created. The 1923 Silver Certificate did contain the following statement “Series of 1923”. However, this indication does not indicate the date any particular silver certificate was created. Rather, this indication merely indicates the year that the design of the silver certificate was finalized (i.e., 1923). Thus, even though each 1923 Silver Certificate contained the statement “Series of 1923”, each particular silver certificate could have been created in 1923, 1924, 1925, 1926, etc. There is simply no indication on the 1923 Silver Certificate of a date each certificate was created.

Still further, Claim 12 requires that that the code, when executed on a computer, causes the computer to creating a digital signature for authenticating the electronic data file. Applicant respectfully submits that, since the 1923 Silver Certificate was a paper certificate, it certainly could not have included a digital signature. While the 1923 Silver Certificate did include printed reproductions of the signatures of the Secretary of the Treasury and of the Treasurer of the United States, Applicant respectfully submits that these printed signatures would clearly not be understood by those skilled in the art as

comprising a digital signature for authenticating an electronic data file, as required by Claim 12.

In view of the fact that, as detailed above, the 1923 Silver Certificate does not disclose, teach or suggest no less than **six** separate elements required by Claim 12, Applicant respectfully submits that the 1923 Silver Certificate cannot possibly anticipate this claim. As such, Applicant respectfully asks the Examiner to withdrawn this rejection.

Moreover, Applicant respectfully submits that the 1923 Silver Certificate does not render obvious, either alone or in combination with the other cited reference, Ohta et al. (U.S. Patent No. 4,977,595), the present invention, as claimed.

As discussed above, the 1923 Silver Certificate does not disclose, teach or suggest a number required elements of Claim 12 of the present application. Applicant respectfully submits that Ohta et al. fails to disclose, teach or suggest many of these same elements, such that even if the references were combined, the hypothetical device resulting from the combination would still not satisfy all elements of Claim 12. Indeed, the Examiner cites Ohta et al. only as teaching the use digital data in an electronic coin context. However, the Examiner does not cite, and in fact could not cite, Ohta et al. as teaching disclosing, teaching or suggesting numerous elements of Claim 12.

For example, Ohta et al. clearly does not disclose, teach or suggest code that, when executed on a computer, causes the computer to identify an amount of fungible precious metal represented by an electronic data file, and to store the identified amount as part of the electronic data file. The system of Ohta, like the 1923 Silver Certificate, is a system backed by currency, and does not disclose, teach or suggest ecoins, each of which is backed by an identified amount of precious metal. Moreover, Ohta et al. also

clearly does not disclose, teach or suggest that the identified amount of precious metal be no greater than a deposit of the fungible precious metal having been previously received at a secure facilities (i.e., that the electronic currency system is 100% backed).

The system of Ohta et al, being a currency based system, is not 100% backed by precious metal, and as such suffers from the problems associated with such systems. Furthermore, Ohta et al. clearly does not disclose, teach or suggest code that, when executed on a computer, causes the computer to identify a date associated with the electronic data file, the date indicating the date when the electronic data file was created, and to store the date as part of the electronic data file.

Thus, Ohta et al.'s disclosure, with or without being combined with the 1923 Silver Certificate, would not lead the person of ordinary skill in the art to a commodity-based e-coin system in general, and certainly would not lead him/her to such a system having the very specifically claimed features.

Applicant respectfully submits that the any obvious rejection based upon the 1923 Silver Certificate and/or Ohta et al., either when taken alone or when taken in combination, would require a conclusory leap that forsakes analysis in favor of gut reaction. Obviousness is a legal conclusion based on underlying facts of four general types, all of which must be considered by the trier of fact: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) any objective indicia of nonobviousness. See *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 [148 USPQ 459] (1966); *Continental Can Co. USA, Inc. v. Monsanto Co.*, 948 F.2d 1264, 1270, 20 USPQ2d 1746, 1750-51 (Fed. Cir. 1991); *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566-68, 1 USPQ2d 1593, 1594(Fed. Cir. 1987).

"Determination of obviousness cannot be based on the hindsight combination of components selectively culled from the prior art to fit the parameters of the patented

invention.” *ATD Corp. v. Lydall, Inc.*, 159 F.3d 534, 546, 48 USPQ2d 1321, 1329 (Fed. Cir. 1998). There must be a teaching or suggestion within the prior art, within the nature of the problem to be solved, or within the general knowledge of a person of ordinary skill in the field of the invention, to look to particular sources, to select particular elements, and to combine them as combined by the inventor. See *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 665, 57 USPQ2d 1161, 1167 (Fed. Cir. 2000); *ATD Corp.*, 159 F.3d at 546, 48 USPQ2d at 1329; *Heidelberger Druckmaschinen AG v. Hantscho Commercial Prods., Inc.*, 21 F.3d 1068, 1072, 30 USPQ2d 1377, 1379 (Fed. Cir. 1994) (“When the patented invention is made by combining known components to achieve a new system, the prior art must provide a suggestion or motivation to make such a combination.”).

Any obviousness rejection of Claim 12 would be improper because “[o]bviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching, suggestion or incentive supporting the combination. *ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984); *Carella v. Starlight Archery*, 804 F.2d 135, 231 USPQ 644 (Fed. Cir. 1986).

Here, there is no teaching or suggestion within the prior art, within the nature of the problem to be solved, or within the general knowledge of a person of ordinary skill in the field of the invention to combine the teachings of the 1923 Silver Certificate with the teachings of Ohta et al. Moreover, even if there were such a teaching or suggestion, any hypothetical system resulting from such a combination would not satisfy the elements of Claim 12, since, as discussed above, Claim 12 requires a number elements not disclosed, taught or suggested by either cited reference. As such, a combination of references would not disclose, teach or suggest these elements.


Any obviousness rejection of Claim 12 would have to be based only upon an improper "hindsight" analysis, using the disclosure of the present invention to assemble an obviousness rejection. But a fair reading of the disclosures of the cited references simply does not disclose or suggest the claimed invention. There is certainly no suggestion in either reference that it would be appropriate or desirable to combine them. And even if combined, the combination of references does not even give rise to a prima facie basis for a conclusion of obviousness; a close review of the references clearly leads to the conclusion that the present invention is nonobvious.

Conclusion

Accordingly, for all of the foregoing reasons, the rejection of claims 12, 13 and 15 should be reversed, and it is respectfully requested that the Examiner be directed to issue a Notice of Allowance allowing these claims.

Respectfully submitted,

May 9, 2006



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**Claims Appendix
to Appeal Brief Under 37 CFR §41.37
Serial No. 09/340,566**

12. A computer program product for use in conjunction with a commodity-based system for conducting financial transactions, the system including at least one deposit site having secure facilities for storage of a quantity of fungible precious metal, said computer program product embodied on computer-readable medium and comprising code that, when executed on a computer, causes the computer to perform the following steps:

create an electronic data file having a unique serial number associated therewith, and store said electronic data file as one of a plurality of electronic data files;

identify an amount of the fungible precious metal represented by said electronic data file and store the identified amount as part of said electronic data file, the identified amount being no greater than a deposit of the fungible precious metal having been previously received at the secure facilities, whereby a total amount of fungible precious metal represented by the plurality of electronic data files is no greater than the quantity of fungible precious metal stored in the secure facilities;

identify a date associated with said electronic data file, said date indicating the date when said electronic data file was created, and store the date as part of said electronic data file;

create a digital signature for authenticating said electronic data file, and store the digital signal as part of said electronic data file.

13. A computer program product in accordance with claim 12 wherein said computer data are digital data.

15. A computer program product in accordance with claim 12 wherein said precious metal comprises gold.



**Evidence Appendix
to Appeal Brief Under 37 CFR §41.37
Serial No. 09/340,566**

No evidence of any kind, including evidence submitted under 37 CFR 1.130, 1.131 or 1.132, has been entered by the Examiner and relied upon by Appellant in the appeal.



**Decisions Appendix
to Appeal Brief Under 37 CFR §41.37
Serial No. 09/340,566**

There have been no decisions rendered by a court or the Board in the proceedings identified in the Related Appeals and Interferences section of the Brief.